

# HOUSE BILL 854

C4

0lr1928  
CF SB 647

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By: **Delegates Stein, Barkley, Cardin, Manno, and Minnick**

Introduced and read first time: February 10, 2010

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Homeowner's, Farmowner's, and Dwelling Insurance Policies – Claims for**  
3 **Additional Payments**

4 FOR the purpose of requiring each policy of homeowner's, farmowner's, or dwelling  
5 insurance issued, sold, or delivered in the State that provides certain coverage  
6 for a dwelling or personal property to contain a provision that allows an insured  
7 to file a claim for certain additional payments for ~~at least~~ not less than a certain  
8 period of time; authorizing a certain insurer to require a certain insured to  
9 notify the insurer of the intent to repair or replace certain property within a  
10 certain period of time; providing for the application of this Act; providing for a  
11 delayed effective date; and generally relating to policies of homeowner's,  
12 farmowner's, and dwelling insurance.

13 BY adding to

14 Article – Insurance

15 Section 19–213

16 Annotated Code of Maryland

17 (2006 Replacement Volume and 2009 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Insurance**

21 **19–213.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           **(A) EACH POLICY OF HOMEOWNER’S, FARMOWNER’S, OR DWELLING**  
 2 **INSURANCE ISSUED, SOLD, OR DELIVERED IN THE STATE THAT PROVIDES**  
 3 **PROPERTY COVERAGE FOR A DWELLING OR PERSONAL PROPERTY ON A**  
 4 **REPLACEMENT COST BASIS SHALL CONTAIN A PROVISION THAT ALLOWS AN**  
 5 **INSURED TO FILE A CLAIM FOR ~~ADDITIONAL PAYMENTS, ON A REPLACEMENT~~**  
 6 **~~COST BASIS, FOR THE REPAIR OR REPLACEMENT OF THE DWELLING OR~~**  
 7 **~~PERSONAL PROPERTY~~ THE DIFFERENCE BETWEEN THE ACTUAL CASH VALUE**  
 8 **AND THE REPLACEMENT COST FOR THE COMPLETED REPAIRS OR**  
 9 **REPLACEMENT FOR ~~AT LEAST~~ NOT LESS THAN 2 YEARS AFTER ~~PAYMENT OF~~**  
 10 **ACTUAL CASH VALUE THE DATE OF LOSS.**

11           **(B) AN INSURER MAY REQUIRE AN INSURED SEEKING ADDITIONAL**  
 12 **PAYMENTS ON A REPLACEMENT COST BASIS TO NOTIFY THE INSURER, WITHIN**  
 13 **180 DAYS AFTER THE DATE OF LOSS, OF THE INSURED’S INTENT TO REPAIR OR**  
 14 **REPLACE THE DWELLING OR PERSONAL PROPERTY.**

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
 16 homeowner’s, farmowner’s, and dwelling insurance policies issued, sold, delivered, or  
 17 renewed in the State on or after ~~June 1, 2010~~ January 1, 2011.

18           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 19 ~~June 1, 2010~~ January 1, 2011.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.